Steering Group for the Committee on Industrial Products

UNITED KINGDOM PROPOSAL FOR FUTURE WORK ON NON-TARIFF BARRIERS

1. We have carefully considered the reports of the five working Groups on the discussions that had taken place during the year as well as views put forward by some delegations at the last meeting of the Committee on 13 July (COM.IND/W/31). Given the progress that has been made, we believe that it is now of prime importance for the Committee to take sensible and realistic decisions on its future programme of work.

2. We are fully conscious of the Conclusion reached by the CONTRACTING PARTIES during the twenty-sixth session that the Committee should, by the end of 1970, attempt to formulate conclusions on the possibilities for concrete action as appropriate on problems both in the industrial and agricultural sectors. The objective of this programme was to enable the CONTRACTING PARTIES to consider at the twenty-seventh session the possibilities for initiating some form of balanced negotiation.

3. Nevertheless, it is in our view quite evident that contracting parties are either not sufficiently prepared or do not possess the necessary powers for a comprehensive negotiation on non-tariff barriers in the near future. Furthermore, we are convinced, on the basis of the reports that are available so far (which in many cases only set out opposing views on particular problems and reflect no consensus view) that it will not be possible to draw up specific and detailed conclusions over the whole field of non-tariff barriers within the timescale set by the CONTRACTING PARTIES.

4. In the light of these considerations we take the view that to continue discussions, as in the past, on a comprehensive basis covering all types of non-tariff barrier, e.g., by holding further meetings of each Working Group in the autumn, would merely prolong discussion at a generalized level without achieving more specific opportunities for concrete action. This will not be in the interest of GATT nor in the long run will it serve contracting parties' interests in future negotiations.

5. United Kingdom Proposals

In our view the right way to proceed now is to select a few areas in which non-tariff barrier problems might be investigated in greater detail. We believe that this should be seen as part of a programme, during which the Committee would progressively take up and examine in detail all the categories of non-tariff barrier identified in the Illustrative List. It is important to emphasize that all these categories would ultimately be further studied.

6. The objective at this stage of the work would be to take up suggestions in the Working Group reports, and if the necessary consensus exists in favour of further work, to attempt to draw up specific texts of codes, guidelines or interpretative notes and to work out the precise means of introducing better procedures. As hitherto the work would be without commitment as to the final position that Governments would adopt towards such texts or procedures when completed, but the process should facilitate and accelerate the adoption of firm positions.
7. On past experience, e.g. with the Group that drew up the Anti-Dumping Code, such work might require a number of meetings over several months. It would be desirable to think in terms of ad hoc groups on each subject selected for study, composed of people with special knowledge. The groups might in practice consist of the full Committee but with additional expert attendance from capitals. We assume that the existing Working Groups would for the time being be suspended.

8. We believe that this approach offers the possibility of making concrete progress on at least some NTB's before the 27th Session, and that in this way a number of agreements could be developed which at a later stage could be brought into a wider scale negotiation as elements to balance each other and to set against whatever proves negotiable on agriculture, tariffs, etc.

9. **UK Suggestions for Selected Fields of Work**

The following detailed suggestions are put forward as a basis for discussion at the Steering Group Meeting. Among criteria for choosing these particular subjects are:

(a) the desirability of tackling some NTBs which, while of less importance perhaps in absolute terms, offer good prospects for detailed work;

(b) the need equally to tackle some important problems which may require a longer time to study;

(c) the priority interests of developing countries;

(d) the wish to avoid areas where solutions based on unilateral action appear to be indicated since these will in general offer possibilities for bargaining at later stages rather than repay additional study now.

10. We suggest further work on:

1. **Quantitative Restrictions:** We consider this would best be arranged by building upon and continuing the work begun by the Joint Working Group and by developing paras 9-12 of Spec(70)65

2. **Valuation:** to examine particularly the possibility of interpretative notes to Article VII and ways of achieving greater harmonisation of valuation practices.

3. **Standards:** (excluding pharmaceuticals at this stage): to work out the terms of a code of principles to govern introduction and application of standards, including testing procedures for assurance of quality, and to consider the need for new consultations procedures.

4. **Countervailing duties:** to consider a code for administration of such duties on uniform lines, especially in assessing injury and to clarify relevant provisions of Article VI.
11. Timetable

We recognize that some of the ideas in this note involve major departures from the Committee's present approach to its work. But we feel that this is inescapable at this juncture. If, therefore, it is necessary to refer matters to capitals after discussion on 25 September and thus not possible to reach firm decisions then, we favour a further meeting of the Steering Group or the Committee as a whole in mid-October to permit time for such consultation. It will be the worst of all solutions if the Committee decides to continue as before merely because no immediate agreement can be reached on any alternative approach.